



MAYOR & COUNCIL COMMUNICATION

August 4, 2010

Subject: Adoption of Tucson Water Service Area Policy
(City-Wide and Outside City)

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Issue – Adoption of Tucson Water Service Area Policy as directed by the Governing Body at the June 15, 2010, Study Session.

City Manager's Office Recommendation – The Mayor and Council is respectfully requested to adopt the attached resolution establishing the refined Water Service Area policy.

Background – In December 2007, the City enacted an Interim Water Service policy that restricted extension of water service to areas in which the City was legally obligated to serve. That interim policy was intended to limit expansion of the water service area until the Mayor and Council could adopt a rational policy integrating planning for water resources and growth.

Shortly thereafter, in the Spring of 2008 the Mayor and Council and the Pima County Board of Supervisors created the City/County Water & Wastewater Study Committee, composed of representatives of the Citizens' Water Advisory Committee, the Pima County Regional Wastewater Reclamation Advisory Committee, and the citizen planning committees from both the City and the County. The City Manager and County Administrator proposed a scope of work for the Study Committee that was subsequently refined to incorporate feedback from the Mayor and Council and the Board of Supervisors.

The title of the overall study, the *Water Infrastructure, Supply, and Planning Study*, reflects its purpose, to help the regional entities integrate planning for water resources and growth.

The Study Committee's Phase 1 report was endorsed by the Mayor and Council in April 2009, and its Phase 2 report endorsed by the Council in February 2010. These two reports examine the water resources, system capacities, and growth issues impacting Tucson Water and the Pima County Regional Wastewater Reclamation Department.

The Phase 2 Report recommended that the City maintain a water service area boundary but consider expansions to the current obligated area based on a set of economic and environmental factors. After discussing the Phase 2 report on February 17, 2010, the Council directed staff to return within 45 days with proposed refinements to Tucson Water's service area.

On April 13, 2010, staff brought forward a discussion of refinements to the Tucson Water service area, and a proposed service area policy. The Mayor and Council directed that an additional 30 days be provided to allow for more public input on the proposed policy.

The 30-day comment period resulted in a variety of feedback about the proposed service area policy; a number of comments recommended that the service area be expanded more than was

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proposed by staff, while other comments recommended a smaller service area than proposed by staff.

On June 2, 2010, staff briefed the Citizens' Water Advisory Committee (CWAC) on the proposed Tucson Water Service Area Policy and discussed the comments received. After the briefing and question and answer period, CWAC voted 8-0 (with one abstention) to support the proposed Tucson Water Service Area Policy.

On June 15, 2010, staff provided all of the comments received during the 30 day period to the Mayor and Council, and summarized the results. After the staff presentation, the Mayor and Council concurred with staff's recommended Service Area Policy and directed staff to return with a resolution to formally adopt the policy. The Mayor and Council also directed that the resolution include several related provisions, discussed below.

Present Considerations – The attached resolution incorporates the June 15th motion from Council Member Uhlich below, as amended, to adopt the proposed water service area policy and related provisions, which the Mayor and Council passed by a vote of 7 to 0:

Council Member Uhlich moved to direct staff to return within 30 days with a resolution for the adoption of the proposed Tucson Water Service Area Policy, with the exception of the pink-shaded areas on the map abutting the Painted Hills area in the Tucson Mountains. The resolution should formalize the policy and include a review of the policy when the Water Checkbook Balance is updated. The resolution should note the continuation of the existing appeals board to hear appeals from property owners whose land is not within the approved expansion area.

It was further moved that the resolution should direct staff to work with other jurisdictions and water providers on comprehensive, collaborative water planning recommendations by sub-regions, including the possibilities of wheeling and water credit agreements. These discussions should include Metro Water, the Pasqua Yaqui Tribe, Oro Valley, Marana, the Vail Water Company, Pima County, the Tohono O'odham Nation and others. This direction coincides with recommendation 3.1 and 3.2 in the comprehensive planning section of the City/County Water and Wastewater Study.

Council Member Romero requested a friendly amendment to the motion, accepted by the maker, to reference in the resolution the City's continued policies for rain water and gray water harvesting.

Staff notes that Exhibit A to the attached resolution is a service area map that generally depicts the current Tucson Water service area as well as the current obligated area (e.g., within the City limits or contracted service areas), and expansion areas (where agreement to annex into the City may or may not be required, depending on the specific location). As explained in the resolution,

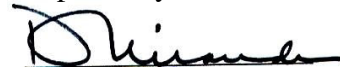
the Exhibit A map is for illustration only. Tucson Water will maintain a service area map of record that is updated regularly to reflect both water service extensions as they occur as well as approved annexations and pre-annexation agreements.

Finally, the Water Department's existing administrative review procedures will remain in place. In cases where the Water Department denies a water system extension and the applicant administratively appeals that determination, a staff review committee composed of the City Attorney, the Director of Housing and Community Development, and a representative of the City Manager's Office (currently, Nicole Ewing-Gavin) will continue to review the denial to assure that the Water Department has followed the City's adopted Water Service Area policy.

Financial Considerations – Adoption of the proposed Tucson Water Service Area will have no immediate financial impact. Once adopted, the service area policy will establish planning parameters related to system growth, which will facilitate Tucson Water's long term infrastructure planning and budgeting, as well as planning for long term water resource requirements.

Legal Considerations – The attached resolution has been prepared by the City Attorney's Office to incorporate the Mayor and Council direction as discussed above.

Respectfully submitted,



for

Mike Letcher
City Manager

ML/jt/Jeff B. Biggs
Tucson Water Director

Attachment: Resolution